



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

California State Office
2800 Cottage Way Suite W1834
Sacramento, CA 95825
www.ca.blm.gov



January 26, 2001

NOTICE OF COMPETITIVE LEASE SALE OIL AND GAS

**SALE LOCATION ADDRESS
Holiday Inn Select Convention Center
801 Truxtun Avenue
Bakersfield, California 93301
(661) 323-1900**

The California State Office is offering for competitive oil and gas lease sale, **48** parcels containing **32,214.89** acres of Federal lands in the State of California. This notice provides:

- the time and place of the sale,
- how to participate in the bidding process,
- the sale process,
- the conditions of the sale,
- how to file a noncompetitive offer after the sale, and
- how to file a presale noncompetitive offer.

Attached to this notice is a list of the lands being offered by parcel number and legal land description. We have included stipulations that apply to each parcel. For your convenience, we are including copies of the bid form and the lease form.

When and where will the sale take place?

When: The competitive oral sale will begin at 9:00 a.m. on March 14, 2001. The sale room will open one hour earlier to allow you to register and obtain your bid number. Registration begins at 8:00 a.m.

Where: The sale will be held at the Holiday Inn Select Convention Center, 801 Truxtun Avenue, Bakersfield, California 93301. Parking is available.

Access: The sale room is accessible to persons with disabilities. If assistance is needed for the hearing or visually impaired, contact Brenda Kidder at (916) 978-4374 two weeks before the sale day.

How do I participate in the bidding process?

To participate in the bidding process, you must register to obtain a bid number. We will begin registering bidders at 8:00 a.m. on the day of the sale. Bidders must register in order to bid on a parcel.

What is the sale process?

Starting at 9:00 a.m. on the day of the sale:

- the auctioneer will offer the parcels in the order they are shown in the attached notice,
- all bids are on a per-acre basis, rounded up to whole acres, for the entire acreage in the parcel,
- the winning bid is the highest oral bid equal to or exceeding the minimum acceptable bid, and
- the decision of the auctioneer is final.

The minimum acceptable bid is \$2 per acre. If a parcel contains fractional acreage, round it up to the next whole acre. For example, a parcel of 100.501 acres requires a minimum bid of \$202 (\$2 x 101 acres). After all the parcels have been offered, you may ask the auctioneer to reoffer any unsold parcel.

What conditions apply to the lease sale?

- **Parcel withdrawal or sale cancellation:** We reserve the right to withdraw any or all parcels before the sale begins. If we withdraw a parcel, we will post a notice in the State Office Information Access Center (Public Room). If we cancel the sale, we will try to notify all interested parties early enough to stop them from traveling to the sale site.
- **Payment due:** You cannot withdraw a bid. Your bid is a legally binding commitment to sign the bid form; accept the lease; and pay all monies due. For each parcel you win, the **money due the day of the sale** is the total of the bonus bid deposit (at least \$2 per acre), the first year's rent (\$1.50 per acre), and the administrative fee (\$75). Any unpaid balance of the bonus bid must be submitted to the California State Office by 4:30 p.m. March 28, 2001, which is the tenth working day following the sale. If you do not pay the balance due by this date, you forfeit the right to the lease and all money paid the day of the sale. If you forfeit a parcel, we may offer it at a later sale.
- **Form of payment:** You can pay by personal check, certified check, money order, or credit card (Visa, MasterCard, American Express, and Discover cards only). Make checks payable to: **Department of the Interior—BLM**. We cannot accept cash. If a check you have sent to us in the past has been returned for insufficient funds, we may require that you give us a guaranteed payment, such as a certified check. If you pay by credit card and the transaction is refused, we will try to notify you early enough so that you can make other payment arrangements. We cannot grant you any extension of time to pay the money that is due the day of the sale.

- **Bid form:** For each parcel, the successful bidder is required to submit a properly signed Form 3000-2 (dated Oct 1989 or later) with the required payment on the day of the sale. This form constitutes a legally binding offer to accept a lease and can be signed ONLY by the prospective lessee or an authorized representative. You may complete the bid form with the exception of the money part before the sale. You may fill out the money part at the sale. Your completed bid form certifies (1) that you and the prospective lessee are qualified to hold an oil and gas lease under our regulations at 43 CFR 3102.5-2; and (2) that both of you have complied with 18 U.S.C. 1860, a law that prohibits unlawful combinations, intimidation of and collusion among bidders.
- **Lease issuance:** After we have received the bid form and all monies due, the lease can be issued. The lease effective date is the first day of the month following the month in which we sign it. If you want your lease to be effective the first day of the month in which we sign it, you must ask us in writing to do this. We have to receive your request before we sign the lease.
- **Lease terms:** A lease issued as a result of this sale has a primary term of 10 years. It will continue beyond its primary term as long as oil or gas in paying quantities is produced on or for the benefit of the lease. Rental at \$1.50 per acre for the first 5 years (\$2 per acre after that) is due on or before the lease anniversary date each year until production begins. Once a lease becomes producing, royalty of 12.5 percent must be paid. You will find other lease terms on our standard lease form (Form 3100-11, June 1988 or later edition). A copy of the lease form is included in this notice. (**Note:** You may copy the lease form, but it must be an exact copy with both sides on one page. If you copy the form on two pages or use an obsolete lease form, your offer will be rejected. The copy you make must be legible.)
- **Stipulations:** Some parcels have requirements and/or restrictions. Stipulations are included in the parcel descriptions. These stipulations become part of the lease and supersede any inconsistent provisions of the lease form.

How do I file a noncompetitive day-after-sale offer after the sale?

Parcels that do not receive a bid are available on a first-come, first-served basis for a two-year period beginning the day after the sale. If you want to file a noncompetitive offer on an unsold parcel, you must file in the California State Office:

- an offer to lease form properly filled out and signed. The lands in your offer must be described as specified in our regulations at 43 CFR 3110.5; and
- your remittance for the total of the \$75 filing fee and the advanced first year's rental (\$1.50 per acre). Remember to round up any fractional acreage when you calculate the amount of rental.

All offers filed the first business day after the sale are considered filed simultaneously. When a parcel receives more than one filing by 4:30 p.m. on the day after the sale, a drawing is held to determine the winner. A presale offer has priority over any offer filed

after the sale. Thereafter, any parcels remaining are available for a period of two-years. Offers receive priority as of the date and time of filing in the California State Office.

How do I file a noncompetitive presale offer?

Under our regulations at 43 CFR 3110.1(a), you may file a noncompetitive presale offer for lands that:

- are available;
- have not been under lease during the previous one-year period; or
- have not been included in a competitive lease sale within the previous two-year period.

If we do not get a bid for the parcel that contains the lands in your presale offer, it has priority over any offer for that parcel filed after the sale. Your presale offer is your consent to the terms and conditions of the lease, including any additional stipulations.

If you want to file a presale offer you must file in the California State Office:

- an offer to lease form properly filled out and signed. The lands in your offer must be described as specified in our regulations at 43 CFR 3110.5; and
- your remittance for the total of the \$75 filing fee and the advanced first year's rental (\$1.50 per acre). Remember to round up any fractional acreage when you calculate the amount of rental.

How can I find out the results of this sale?

We will post the sale results in the State Office Public Room and on our public Internet site when they have been compiled. You can buy a printed copy of the results from the Public Room for \$5.00. The list will also be available at our public Internet site: <http://www.ca.blm.gov/caso/oil.html>.

NOTE: The posting of this notice serves to withdraw the lands listed herein from filings under 43 CFR 3110.1(a)(1)(ii).

Who should I contact if I have questions?

For more information, contact Brenda Kidder at (916) 978-4374.

/s/ _____
Leroy M. Mohorich
Chief, Branch of Energy, Mineral
Science, and Adjudication

PUBLIC LANDS

PARCEL CA 3-01-1 **Presale Offer CACA 42665**

T. 16S., R 12E., MD Mer.,
Sec. 35: W2SW;

T. 17S., R 12E., MD Mer.,
Sec. 3: Lots 1-8, S2;
Sec. 10: E2, E2W2;
Sec. 15: All.

San Benito County 1983.600 acres
Subject to Information Notices 1 through 8
Subject to Special Stipulations 1 through 3

PARCEL CA 3-01-2

T. 20S., R 15E., MD Mer.,
Sec. 4: Lots 3, 4, 6, SWNE, W2SENE, S2NW, SE;
Sec. 10: NE;
Sec. 14: NE.

Fresno County 733.270 acres
Subject to Information Notices 1 through 8
Subject to Special Stipulations 1 through 3

PARCEL CA 3-01-3

T. 20S., R 15E., MD Mer.,
Sec. 34: NE.

Fresno County 160.000 acres
Subject to Information Notices 1 through 8
Subject to Special Stipulations 1 through 3

PARCEL CA 3-01-4

T. 22S., R 16E., MD Mer.,
Sec. 6: Lots 1-9, 12-15;
Sec. 6: S2NE;
Sec. 10: NW;
Sec. 30: Lots 1-6, 11.

Fresno County 1072.200 acres
Subject to Information Notices 1 through 8
Subject to Special Stipulations 1 through 3

PARCEL CA 3-01-5

T. 22S., R 16E., MD Mer.,
Sec. 24: E2SW.

Kings County 80.000 acres
Subject to Special Stipulation 1

PARCEL CA 3-01-6

T. 22S., R 16E., MD Mer.,
Sec. 34: NENW.

Fresno County 40.000 acres
Subject to Information Notices 1 through 8
Subject to Special Stipulations 1 through 3

PARCEL CA 3-01-7

T. 23S., R 17E., MD Mer.,
Sec. 8: SWNW;
Sec. 18: Lots 1, 2, W2NE, E2NW;
Sec. 22: All.

Kings County 916.360 acres
Subject to Special Stipulations 1 and 2

PARCEL CA 3-01-8

T. 23S., R 17E., MD Mer.,
Sec. 12: SE;
Sec. 14: NE.

Kings County 320.000 acres
Subject to Special Stipulations 1 and 2

PARCEL CA 3-01-9

T. 23S., R 17E., MD Mer.,
Sec. 26: NE, N2S2.

Kings County 320.000 acres
Subject to Special Stipulations 1 and 2

PARCEL CA 3-01-10

T. 23S., R 17E., MD Mer.,
Sec. 18: W2SE;
Sec. 20: SW;
Sec. 32: NWNE, NW, N2SW, SWSW.

Kings County 560.000 acres
Subject to Special Stipulations 1 and 2

PARCEL CA 3-01-11

T. 25S., R 19E., MD Mer.,
Sec. 3: E2 Lot 1 NE, SE.

Kern County 200.000 acres
Subject to Special Stipulation 1

PARCEL CA 3-01-12

T. 28S., R 19E., MD Mer.,
Sec. 6: Lots 2, 3, 4, 5, SWNE, SENW, NESW;
Sec. 7: Lots 1, 4;
Sec. 9: SENE, SWNW, SWSW, NESE;
Sec. 17: E2NW, SESE;
Sec. 18: NWSE.

Kern County 628.520 acres
Subject to Special Stipulation 1

PARCEL CA 3-01-13

T. 28S., R 19E., MD Mer.,
Sec. 11: Lots 5, 12.

Kern County 75.080 acres
Subject to Special Stipulation 1

PARCEL CA 3-01-14

T. 28S., R 19E., MD Mer.,
Sec. 20: NESE;
Sec. 21: N2NE, SWNE, NW, N2SW, NWSE, SESE;
Sec. 30: Lots 3, 4;
Sec. 31: SWSE;
Sec. 32: NWSW, N2SE.

Kern County 721.510 acres
Subject to Special Stipulation 1

PARCEL CA 3-01-15

T. 28S., R 19E., MD Mer.,
Sec. 14: Lot 1;
Sec. 15: NENE, W2NE, W2, NWSE;
Sec. 22: S2NE, S2S2;
Sec. 25: Lot 1.

Kern County 788.330 acres
Subject to Special Stipulation 1

PARCEL CA 3-01-16

T. 29S., R 20E., MD Mer.,
Sec. 3: Lot 2;
Sec. 4: Lots 1-8, S2N2, S2;
Sec. 5: Lots 1, 2, S2NE, SENW, NESW, NESE;
Sec. 9: NWNE, NENW, E2SE.

Kern County 1233.270 acres
Subject to Special Stipulations 1 and 2

PARCEL CA 3-01-17

T. 29S., R 20E., MD Mer.,
Sec. 15: N2, SW;
Sec. 23: Lots 1, 2, NE, NENW, S2NW, SW, N2SE.

Kern County 1044.600 acres
Subject to Special Stipulation 1

PARCEL CA 3-01-18

T. 30S., R 20E., MD Mer.,
Sec. 12: E2E2;
Sec. 13: S2NE, W2, SE;
Sec. 24: E2.

Kern County 1040.000 acres
Subject to Special Stipulations 1, 2, and 3

PARCEL CA 3-01-19

T. 30S., R 20E., MD Mer.,
Sec. 1: Lots 1, 2, 3, S2NE, SENW, SW, N2SE, SWSE,
Sec. 2: Lots 1, 2, 4, SWNW, SESW, NESE, S2SE;
Sec. 11: N2NE, W2, SE;
Sec. 12: NW, NESW, S2SW.

Kern County 1676.580 acres
Subject to Special Stipulations 1, 2, and 3

PARCEL CA 3-01-20

T. 30S., R 20E., MD Mer.,
Sec. 3: Lots 1-4, SENE, SWNW, SW, NESE, SWSE;
Sec. 4: Lots 5-8, S2N2, S2;
Sec. 9: E2, E2W2, SWSW;
Sec. 10: All.

San Luis Obispo County 2274.400 acres
Subject to Special Stipulations 1, 2, and 3

PARCEL CA 3-01-21

T. 30S., R 20E., MD Mer.,
Sec. 5: Lots 3, 5, 6, SENE, SENW, SWSW, NESE, S2SE;
Sec. 6: Lots 2-5, S2NE, SENW, E2SW, SE;
Sec. 7: N2NE, NENW;
Sec. 8: N2, NWSW, SESE;
Sec. 17: E2NE.

San Luis Obispo County 1475.990 acres
Subject to Special Stipulations 1, 2, and 3

PARCEL CA 3-01-22

T. 29S., R 21E., MD Mer.,
Sec. 29: W2SW.

Kern County 80.000 acres
Subject to Special Stipulation 1

PARCEL CA 3-01-23

T. 30S., R 21E., MD Mer.,
Sec. 19: Lots 4, 5;
Sec. 22: Lots 2, 3, 4.

Kern County 94.430 acres
Subject to Special Stipulations 1 and 2

PARCEL CA 3-01-24

T. 28S., R 22E., MD Mer.,
Sec. 2: N2SW, SESW, SE.

Kern County 280.000 acres
Subject to Special Stipulation 1

PARCEL CA 3-01-25

T. 28S., R 22E., MD Mer.,
Sec. 28: SE.

Kern County 160.000 acres
Subject to Special Stipulation 2

PARCEL CA 3-01-26
Presale Offer CACA 42664

T. 32S., R 22E., MD Mer.,
Sec. 3: Lots 5-8;
Sec. 4: Lots 1, 2, 6, 7.

San Luis Obispo County 524.090 acres
Subject to Special Stipulations 1 and 2

PARCEL CA 3-01-27

T. 25S., R 24E., MD Mer.,
Sec. 12: N2N2.

Kern County 160.000 acres
Subject to Special Stipulation 1

PARCEL CA 3-01-28

T. 31S., R 24E., MD Mer.,
Sec. 14: N2NW.

Kern County 80.000 acres
Subject to Special Stipulations 1 and 2

PARCEL CA 3-01-29

T. 25S., R 25E., MD Mer.,
Sec. 6: Fractional NE;
Sec. 16: All.

Kern County 799.250 acres
Subject to Special Stipulation 1

PARCEL CA 3-01-30

T. 31S., R 25E., MD Mer.,
Sec. 8: W2NE.

Kern County 80.000 acres
Subject to Special Stipulations 1 and 2

PARCEL CA 3-01-31

T. 26S., R 26E., MD Mer.,
Sec. 24: W2.

Kern County 320.000 acres
Subject to Special Stipulation 1

PARCEL CA 3-01-32

T. 26S., R 26E., MD Mer.,
Sec. 26: SE.

Kern County 160.000 acres
Subject to Special Stipulation 1

PARCEL CA 3-01-33

T. 27S., R 28E., MD Mer.,
Sec. 10: SW.

Kern County 160.000 acres
Subject to Special Stipulation 1

PARCEL CA 3-01-34

T. 27S., R 28E., MD Mer.,
Sec. 2: W2 Lots 1 & 2 NW, S2;
Sec. 12: NE, E2NW, N2SE;
Sec. 22: NENE, E2W2;
Sec. 24: N2N2, SENE, SWNW, NWSW, NESE.

Kern County 1241.710 acres
Subject to Special Stipulation 1

PARCEL CA 3-01-35

T. 27S., R 28E., MD Mer.,
Sec. 6: Lots 1 & 2 NE, Lots 1 & 2 NW, Lots 1 & 2 SW, SE;
Sec. 8: W2NE, NW, S2.

Kern County 1140.320 acres
Subject to Special Stipulation 1

PARCEL CA 3-01-36

T. 27S., R 28E., MD Mer.,
Sec. 30: Lots 1 & 2 NW, Lots 1 & 2 SW, E2;
Sec. 32: N2;
Sec. 34: E2.

Kern County 1225.000 acres
Subject to Special Stipulation 1

PARCEL CA 3-01-37

T. 28S., R 28E., MD Mer.,
Sec. 22: NENE, S2NE, W2, SE.

Kern County 600.000 acres
Subject to Special Stipulation 1

PARCEL CA 3-01-38

T. 28S., R 28E., MD Mer.,
Sec. 6: N2SE, SESE.

Kern County 120.000 acres
Subject to Special Stipulation 1

PARCEL CA 3-01-39

T. 28S., R 28E., MD Mer.,
Sec. 12: W2SW, SESW;
Sec. 14: NE, W2SW;
Sec. 26: W2.

Kern County 680.000 acres
Subject to Special Stipulation 1

PARCEL CA 3-01-40

T. 4N., R 17W., SB Mer.,
Sec. 18: SWSE;
Sec. 19: Lots 1,3,4.

Ventura and
Los Angeles Counties 157.420 acres
Subject to Special Stipulation 1

PARCEL CA 3-01-41

T. 4 N., R. 17 W., SB Mer.,
Sec. 19: Lot 2.

Ventura County 42.060 acres
Subject to Special Stipulations 1 and 4

PARCEL CA 3-01-42

T. 11N., R 23W., SB Mer.,
Sec. 30: S2 LOT 2 NW, LOT 2 SW;
Sec. 31: LOTS 1 AND 2 SW, SE;
Sec. 32: S2SW.

Kern County 517.850 acres
Subject to Special Stipulation 1

PARCEL CA 3-01-43 - Withdrawn from sale by Amendment dated February 7, 2001

T. 11N., R 24W., SB Mer.,
Sec. 10: E2E2, W2;
Sec. 11: SWNE, E2SE.

T. 12N., R 24W., SB Mer.,
Sec. 33: NW, NESW, N2SE, SESE.

Kern County 920.000 acres
Subject to Special Stipulations 1, 2, and 3

PARCEL CA 3-01-44 - Withdrawn from sale by Amendment dated February 7, 2001

T. 11N., R 24W., SB Mer.,
Sec. 14: NENE, N2SW, SESW;
Sec. 15: W2NE, E2NW;
Sec. 23: NWNE, NWNW, NWSE;
Sec. 24: W2NW, SENW, N2S2;
Sec. 27: SWNW, NWSE.

Kern County 800.000 acres
Subject to Special Stipulations 1, 2, and 3

PARCEL CA 3-01-45

T. 12N., R 24W., SB Mer.,
Sec. 29: Lots 1-4;
Sec. 30: Lots 1-4;
Sec. 31: Lots 1-4, E2, E2W2;
Sec. 32: All.

Kern County 1372.860 acres
Subject to Special Stipulation 1

ACQUIRED LANDS

PARCEL CA 3-01-46

T. 24 S., R. 11 E., MD Mer.,
Sec. 21, W2;
Sec. 28, W2;
Sec. 29, All;
Sec. 30, Lots 1 and 2 SW, E2.

Monterey County 1747.250 acres
Subject to Special Stipulation

PARCEL CA 3-01-47

T. 24 S., R. 11 E., MD Mer.,
Sec. 31, Lots 1 and 2 NW, Lots 1 and 2 SW, E2;
Sec. 32, All.

Monterey County 1248.940 acres
Subject to Special Stipulation

PARCEL CA 3-01-48

50% Mineral Interest – FPMC S-14

T. 9 S., R. 13 E., MD Mer.,
Sec. 13: S2SW;
Sec. 14: S2SE.

Merced County 160.00 acres

The following notice will be attached to all issued leases

**NOTICE TO LESSEE
MLA Section 2(a)(2)(A)**

Provisions of the Mineral Leasing Act (MLA) of 1920, as amended by the Federal Coal Leasing Amendments of 1976, affect an entity's qualifications to obtain an oil and gas lease. Section 2(a)(2)(A) of the MLA, 30 U.S.C. 201(a)(2)(A), requires that any entity that holds and has held a Federal coal lease for 10 years beginning on or after August 4, 1976, and who is not producing coal in commercial quantities from each such lease, cannot qualify for the issuance of any other lease granted under the MLA. Compliance by coal lessees with Section 2(a)(2)(A) is explained in 43 CFR 3472.

In accordance with the terms of this oil and gas lease with respect to compliance by the initial lessee with qualifications concerning Federal coal lease holdings, all assignees and transferees are hereby notified that this oil and gas lease is subject to cancellation if: (1) the initial lessee as assignor or as transferor has falsely certified compliance with Section 2(a)(2)(A), or (2) because of a denial or approval by a State Office on a pending coal action, i.e., arms-length assignment, relinquishment, or logical mining unit, the initial lessee as assignor or as transferor is no longer in compliance with Section 2(a)(2)(A). The assignee or transferee does not qualify as a bona fide purchaser and, thus, has no rights to bona fide purchaser protection in the event of cancellation of this lease due to noncompliance with Section 2(a)(2)(A).

Information regarding assignor or transferor compliance with Section 2(a)(2)(A) is contained in the lease case file as well as in other Bureau of Land Management records available through the State Office issuing this lease.

INFORMATION NOTICES

1. Cultural Information Notice

A cultural resource inventory will be required prior to authorization of any surface-disturbing activity. Proposed activities would be moved up to 200 meters to avoid adverse impacts to all potentially significant archaeological sites. For sites that could not be avoided, an appropriate data recovery plan would be developed in consultation with the State Historic Preservation Officer and the National Advisory Council on Historic Preservation. Implementation of the data recovery plan would be a condition of approval of the proposed activity.

2. Air Quality Information Notice - Offroad Vehicle Use

All oil and gas exploration and development activities that require off-road vehicle use or surface disturbance will be required to obtain an air quality emission permit or verification that such permits are not appropriate from the local Air Pollution Control District.

3. Air Quality Information Notice - Onroad Vehicle Use

All oil and gas exploration and development activities resulting in surface disturbance or requiring the use of motorized vehicles will be required to suppress fugitive dust emissions from paved and unpaved surfaces in accordance with local Air Pollution Control District (APCD) regulations.

4. Surface-Disturbing Operations on Slopes Information Notice

Proposed oil and gas developments (pad/access road construction, vegetation removal, etc.) on slopes that exceed 10% will require submission of designs prepared by a licensed professional engineer, incorporating adequate mitigation measures to preclude slope failure or off-site transport of sediments and detailing reclamation procedures that would result in successful restoration and revegetation of the site.

5. Floodplains Information Notice

To prevent contamination of surface waters during flood events, oil sump construction and storage of oil in oil well cellars will not be permitted in floodplains.

6. Known T&E Animal Habitat Information Notice

All or a portion of the lands in this lease are within the habitat of threatened or endangered species. Measures included in the Panoche/Coalinga Area of Critical Concern Guidelines for oil and gas operations in T&E Animal Habitat to mitigate oil and gas exploration and development activities will be implemented on those lands described herein. If these measures are not sufficient to prevent a "may affect" determination to the species, section 7 consultation with the USFWS will be required. The measures are:

Pre-Development Protective Measures

- Installation of temporary fences along the margin of pad sites on oil and gas developments to eliminate off-site vehicle impacts to undisturbed habitat.
- Access roads and pipeline should be planned to utilize existing roads and trails. Where new roads are proposed, route to avoid sensitive habitat features such as shrubs, small mammal and rodent burrows and washes.
- Compensation both on-site and off-site: Rehabilitate additional acreage through reseeding, installation of artificial dens, closure/rehab of roads in other lease areas, etc.
- Season restriction for operational activities to minimize vehicle traffic, noise, etc., during sensitive periods such as denning, nesting, etc.
- Formal programs to increase employee awareness of local wildlife concerns emphasizing unique habitat features and values. This is important to the contractor(s) as well as the applicant.
- Maintain unique or limiting topographic features (will vary from site to site).
- No surface occupancy should be considered in critical or sensitive habitat areas.
- Employees and contractors should be prohibited from carrying firearms onto the worksite.

Developmental Protective Measures

- Where pipelines/steam lines are needed, lay above ground (hang above ground across major washes). Align with roads where possible.

- Size and alignment (or orientation) of pads should be determined to minimize surface disturbance and habitat loss, yet accommodate construction activities (i.e., lengthwise or parallel to existing roads, short side toward sensitive features). Revegetate those portions of the pads not needed for production purposes as soon as possible.
- Waste water should be properly contained and/or removed to a designated disposal site.
- Stockpile topsoil from surface-disturbing activities to be used in conjunction with revegetation efforts.
- Maintain buffer zones around sensitive habitat features (minimum 200 feet from active or inactive San Joaquin Kit Fox dens, minimum 100 feet from all intermittent streams, 100 feet from dry washes in blunt-nosed leopard lizard habitat and minimum 200 feet from giant kangaroo rat colonies). Fencing will be used if necessary.
- Keep number of roads to a minimum (one to two access points per well).
- Consolidate maintenance activities to reduce human disturbances.
- Fence/cover all existing and active sumps with fine wire mesh to prevent the entrapment of animals.

Post-Development Protection Measures

- Abandonments will be rehabed and re-contoured as close as possible to the original contour and condition. The determination for recontouring abandoned well sites will consider possible impacts to RTE species. In some cases, where natural revegetation has occurred around the margins of well sites and RTE species are known to inhabit the site, it may be desirable to rip and reseed pads and roads but avoid disturbing naturally revegetated areas by recontouring.
- Ripping, reseeding and recontouring will be done by the lessee as approved by BLM to all roads, pads, sumps, and all other past surface disturbances (including oil spills from historic operations) not of value to the leasehold operation.
- Reseeding will consist of environmentally compatible plant species (saltbush) in all disturbed areas within construction zones, as well as any additional locations agreed to for the benefit of RTE species and

surface protection from erosion.

- Specifications for seeding will include timeframes, rates of seed application, type of seed.
- Areas to be rehabilitated should be delineated in writing, by map, and staked/flagged on site.
- If in an active field, rehabilitation efforts should be conducted within one year after construction operations have ended.
- If necessary, fence (or block with physical barriers) revegetated sites from vehicular or livestock access.
- Dispose of all well site debris, including equipment, pipelines, and garbage in an acceptable manner (this means removal to a designated disposal site for contaminated soil and/or debris).

In addition to the protective measures listed above, compensation may be required in the form of on-site or off-site habitat enhancement (installation of guzzlers, conversion of oil and gas wells to water wells, seeding of native shrub species, etc.). Project applicants may be required to provide funds for purchase of off-site lands.

7. Exploratory Drilling in Known T&E Animal Habitat Information Notice

Exploratory drilling will be required to use self-contained drilling fluid units to eliminate the need for sumps and to minimize spillage.

8. Development of New Oil and Gas Fields in Known T&E Animal Habitat Information Notice

Development of new oil and gas fields in known T&E animal habitat will be limited to disturbance of 10 percent of the habitat area within the lease.

Special Stipulations

Stipulation No. 1 - Limited Surface Use - Protected Species: All or a portion of this lease is within the range of one or more plant or animal species (shown at the end of this stipulation) that are either listed as threatened or endangered, or are proposed for such listing by the U.S. Fish and Wildlife Service (USFWS).

The lessee is notified that time frames for processing applications may be delayed beyond established standards to allow for species surveys, and consultation or conferencing with the USFWS. Notice is also given that surface-disturbing activities may be moved or modified, and that some activities may be prohibited during seasonal time periods. Surface-disturbing activities will be prohibited on the lease only where:

- a. The proposed action is likely to jeopardize the continued existence of a listed or proposed species, or
- b. The proposed action is inconsistent with the recovery needs of a listed species as identified in an approved USFWS Recovery Plan.

Prior to the authorization of any surface-disturbing activities, a preliminary environmental review will be conducted to identify the potential presence of habitat for these species. Authorizations may be delayed until completion of the necessary surveys during the appropriate time period for these species. The lessee should be aware that the timing of the surveys is critical, in that some species can only be surveyed during a brief period each year.

The BLM may need to initiate consultation or conference with the USFWS if the site inspection concludes that a listed or proposed species may be affected by the proposed activity. The lessee should be aware that the USFWS has up to 135 days to render their biological opinion, and that there are provisions for an additional 60-day extension. Offsite habitat protection or enhancement for wildlife or vegetation (compensation) may be required by the USFWS when habitat is disturbed. The consultation may also result in some restrictions to the lessee's plan of development, including movement or modification of activities, and seasonal restrictions. Surface-disturbing activities will be prohibited on the lease if the consultation or conference concludes that either of the conditions identified in a or b above exist.

Endangered Species List

Special Status Plants

<u>Common Name</u>	<u>Scientific Name</u>	<u>Status</u>
1. California jewelflower	<i>Caulanthus californicus</i>	endangered
2. San Joaquin woolly-threads	<i>Lembertia congdonii</i>	endangered

3. Hoover's woolly-star	<i>Eriastrum hooveri</i>	threatened
4. Kern mallow	<i>Eremalche kernensis</i>	endangered
5. Bakersfield cactus	<i>Opuntia treleasei</i>	endangered
6. San Benito Evening-primrose	<i>Camissonia benetensis</i>	threatened
7. Fleshy owl's-clover	<i>Castilleja camprestris succulenta</i>	threatened
8. Coyote ceanothus	<i>Ceanothus ferrisae</i>	endangered
9. Mariposa Lupine	<i>Lupinus citrinus deflexus</i>	endangered
10. Hartweg's golden sunburst	<i>Pseudobahia bahiifolia</i>	endangered
11. Metcalf Canyon jewelflower	<i>Streptanthus albidus albidus</i>	endangered
12. Greene's orcutt grass	<i>Tuctoria greenei</i>	endangered

Special Status Animals

13. Blunt-nosed leopard lizard	<i>Gambelia silus</i>	endangered
14. Giant kangaroo rat	<i>Dipodomys ingens</i>	endangered
15. San Joaquin kit fox	<i>Vulpes macrotis mutica</i>	endangered
16. Tipton kangaroo rat	<i>Dipodomys nitratoides nitratoides</i>	endangered
17. Fresno kangaroo rat	<i>Dipodomys nitratoides exilis</i>	endangered
18. *California red-legged frog (*Applies only to Monterey County parcels)	<i>Rana aurora draytonii</i>	threatened
19. CA tiger salamander	<i>Ambystoma californiense</i>	candidate

Special Status Birds

20. Bald eagle	<i>Haliaeetus leucocephalus</i>	Threatened
21. California condor	<i>Gymnogypus californianus</i>	Endangered
22. Mountain plover	<i>Charadrius montanus</i>	Candidate

Stipulation No. 2 - Limited Surface Use - Sensitive Species: All or a portion of this lease is within the range of one or more plant or animal species (shown at the end of this stipulation) that are either Federal candidates for listing as threatened or endangered (Federal Candidate), are listed by the State of California as threatened or endangered (State Listed), or are designated by the Bureau of Land Management (BLM) as Sensitive (Bureau Sensitive).

The lessee is notified that time frames for processing applications may be delayed beyond established standards to allow for species surveys and coordination with the USFWS and California Department of Fish and Game. Notice is also given that surface-disturbing activities may be relocated beyond the standard 200 meters but not more than 1/4 mile and that surface-disturbing activities may be prohibited during seasonal time periods.

Prior to the authorization of any surface-disturbing activities, a preliminary environmental review will be conducted to identify the potential presence of habitat for these species. Authorizations may be delayed until completion of the necessary surveys during the appropriate time period for these species. The lessee should be aware that the timing of the surveys is critical, in that some species can only be surveyed during a brief period each year. The BLM may need to coordinate with the USFWS or the California Department of Fish and Game if the site inspection concludes that a Federal Candidate, State Listed or Bureau Sensitive species may be affected by the proposed activity. Coordination may delay application processing beyond established time frames.

To prevent or reduce disturbance to Federal Candidate, State Listed, or Bureau Sensitive species, surface operations may be moved up to 1/4 mile and surface-disturbing activities may be prohibited during seasonal time periods.

Sensitive/Candidate Species List

Special Status Plants		
<u>Common Name</u>	<u>Scientific Name</u>	<u>Status</u>
1. Pale-Yellow Layia	<i>Layia heterotricha</i>	BLM sensitive
2. Munz's Tidy-Tips	<i>Layia munzii</i>	BLM sensitive
3. Calico Monkeyflower	<i>Mimulus pictus</i>	BLM sensitive
4. Oil Neststraw	<i>Stylocline citroleum</i>	BLM sensitive
5. Showy Madia	<i>Madia radiata</i>	BLM sensitive
6. Lost Hills Saltbrush	<i>Atriplex vallicola</i>	BLM sensitive
7. Hardham's Evening-Primrose	<i>Camissonia hardhamiae</i>	BLM sensitive
8. Sharsmith's Harebell	<i>Campanula sharmsmithiae</i>	BLM sensitive
9. Purple Amole	<i>Chlorogalum purpureum</i>	BLM sensitive
10. One-awned Spineflower	<i>Chorizanthe rectispina</i>	BLM sensitive
11. Hamilton Thistle	<i>Cirsium fontinale campylon</i>	BLM sensitive
12. Hispid Bird's-Beak	<i>Cordylanthus mollis hispidus</i>	BLM sensitive
13. Mt. Diablo Bird's-Beak	<i>Cordylanthus nidularius</i>	State Rare

14. Mt. Hamilton Coreopsis	<i>Coreopsis hamiltonii</i>	BLM sensitive
15. Mouse Buckwheat	<i>Eriogonum nudum murinum</i>	BLM sensitive
16. Talus Fritillary	<i>Fritillaria falcata</i>	BLM sensitive
17. Diablo Helianthella	<i>Helianthella castanea</i>	BLM sensitive
18. Rayless Layia	<i>Laya discoidea</i>	BLM sensitive
19. Jones' Layia	<i>Layia jonesii</i>	BLM sensitive
20. Panoche Pepper-Grass	<i>Lepidium jaredii album</i>	BLM sensitive
21. Congdon's Lewisia	<i>Lewisia congdonii</i>	State Rare
22. Carmel Valley Bush Mallow	<i>Malacothamnus palmeri involucrat</i>	BLM sensitive
23. Carmel Valley Cliff-Aster	<i>Malcothrix saxatilis arachnoidea</i>	BLM sensitive
24. Slender Pentachaeta	<i>Pentachaeta exilis aeolica</i>	BLM sensitive
25. Mt. Diablo Phacelia	<i>Phacelia phacelioides</i>	BLM sensitive
26. Rock Sanicle	<i>Sanicula saxatilis</i>	State Rare
27. Cuesta Pass Checkerbloom	<i>Sidalcea hickmanii anomala</i>	State Rare
28. Mt. Hamilton Jewelflower	<i>Streptanthus callistus</i>	BLM sensitive

Special Status Animals

29. San Joaquin Antelope Squirrel	<i>Ammospermophilus nelsoni</i>	BLM sensitive
30. Ciervo Aegialian Beetle	<i>Aegialia concinna</i>	BLM sensitive
31. Southwestern Pond turtle	<i>Clemmys marmorata</i>	BLM sensitive
32. San Joaquin Dune Beetle	<i>Coelus gracilis</i>	BLM sensitive
33. Short-nosed Kangaroo Rat	<i>Dipodomys nitratoides</i>	BLM sensitive
34. Morrison's Meloid beetle	<i>Lytta morrisoni</i>	Candidate
35. San Joaquin pocket mouse	<i>Perognathus inornatus inornatus</i>	BLM sensitive
36. Foothill yellow-legged frog	<i>Rana boylei</i>	BLM sensitive
37. Two-striped garter snake	<i>Thamnophis hammondi</i>	BLM sensitive

Special Status Birds

38. Western yellow-billed cuckoo	<i>Coccyzus americanus occidentlis</i>	State endangered
39. Swainson's Hawk	<i>Buteo swainsoni</i>	State endangered
40. Tri colored Blackbird	<i>Agelaius tricolor</i>	candidate

Stipulation No. 3 - Limited Surface Use - Raptors: This lease includes lands that have been identified as important raptor foraging, wintering or nesting areas. Notice is given that surface-disturbing activities may be relocated beyond the standard 200 meters, but not more than 1/2 mile or that some activities may be prohibited during seasonal time periods to avoid unnecessary and undue disturbance to sensitive raptor foraging grounds, wintering areas or nest sites.

Stipulation No. 4 – Stipulation Agreement: This parcel embraces lands in relinquished lease CARI 4360. There is an existing well (USL Rogers #1) located in section 19, T. 4 N., R. 17 W., SB Mer., Ventura County, California. There are also production facilities consisting of two 500 bbl oil tanks, one gas separator, and one concrete-line disposal pit. The following Stipulation Agreement will be applied to any lease issued for this parcel:

The new lessee/operator will be allowed a period of 90 days to evaluate the property and to attempt to bring the well back on production. If the new operator is successful in reestablishing economic production from the lease, he will assume the responsibility to eventually plug and abandon the well, and remove the production facilities when the property is no longer economic to produce (per 43 CFR 3162.3-4). After the initial 90-day period, the lessee/operator will also be required to obtain and file an appropriate bond with the BLM. The ownership of the existing well and production facilities will then transfer to the new operator at no cost.

If the new operator is unsuccessful in reestablishing economic production within 90 days, or if reworking or redrilling operations are not commenced and thereafter conducted with reasonable diligence, or if he does not want the well, he will be required to immediately (within 10 days) relinquish the newly issued lease to the BLM.

Please note that it is the responsibility of the new operators/lessees to submit any required permits and/or bonds to the BLM prior to beginning any surface-disturbing activities.

Stipulation No. 5 - Camp Roberts, California

1. The words Adjutant General and District Engineer for the purpose of this lease and stipulations are the Adjutant General, and the District Engineer, U.S. Army Engineer District-Sacramento. The Lessee understands that any of his activities on the leased lands require prior approval of the Bureau of Land Management (BLM) and that BLM approval requires the concurrence of the Adjutant General or of his authorized representative on necessary requirements. These may include, but are not limited to, prohibitions or specifications on:

- a. Access to the leased premises (e.g. time of year, gates, roads, construction, maintenance, pipelines, vegetation disposal);
- b. Exploration activities;

c. Location of drilling, production, collection, and storage facilities (e.g., burial of wellhead and equipment in underground bunkers, burial depth of flow lines);

d. Use and protection of installation water supply;

e. Use and protection of the environment, (e.g., hazardous waste areas, endangered species, erosion control, pollution prevention);

f. Protection of objects of historic and scientific significance (e.g., archeological survey by a professional archeologist, coordination with the Cultural Resources Manager at Camp Roberts). Note: Camp Roberts has a number of sensitive cultural and historical sites that are excluded as potential sites for oil and gas exploration. Due to the sensitive nature of these sites, coordination with the Cultural Resources Manager is mandatory;

g. Safety and fire protection measures, (e.g. use of explosives, safe working distance from ammunition and explosives, construction and maintenance of firebreaks, development of contingency plans to be used in the event of danger to persons or property, posting of signs);

h. Use of communication and transportation system;

i. Installation security (e.g., authorized operating hours, worker identification);

j. Management of production area (e.g., size, fencing, gates, cattle guards, interim revegetation);

k. Reclamation measures (e.g., equipment removal, well abandonment and plugging, discing, grading, filling, topsoil replacement, erosion control, revegetation fertilizing);

l. Attendance at meetings (e.g., pre- and post-operations conferences); and

m. Compliance with these requirements will be at no cost to the United States.

2. Surface occupation and use of the lands at Camp Roberts by the Lessee is limited as follows:

a. The Lessee shall not occupy the surface of the leased lands for any purpose except exploration, in accordance with paragraph 2.b., until agreed to in writing by the Adjutant General.

b. The Lessee shall obtain a separate approval to conduct geophysical testing and surveys on the leased area from the Adjutant General. Surface occupancy for exploration will not be permitted within the Impact Area, Ammunition Supply Point (ASP), or the SATCOM Station.

c. Available dates for Geophysical Testing are to be determined by the Adjutant General.

3. a. The Lessee understands that the leased lands are part of a military installation. Mineral exploration and development in any restricted impact area involving ammunition or explosives is prohibited; however, these lands may be explored and oil and gas may be produced by directional drilling at a safe distance from outside the areas as prescribed by the Department of Defense (DOD) and Army regulations. Furthermore, the Lessee understands that future increased production, testing, or storage of ammunition or explosives may further restrict the surface areas available for lease or exploration operations. Safe distances from ammunition and explosive facilities are based on the quantity and type of explosive present or authorized and the proposed use (e.g., above or below ground continuous or temporary presence or personnel). The Lessee may obtain pertinent information on this subject from the installation Safety Office and in the AR-385 series and DOD 6055.9 S implemented by AR 385-64, both of which may be obtained at the Safety Office.

b. Most of the surface of this parcel is not available for surface occupancy due to ongoing military operations. Consequently, surface occupancy will be restricted to an area which averages several hundred feet wide along the western edge of the parcel in sections 30 and 31, of T. 24S., R. 11E., MDM, Monterey County, and two larger areas to the north and northeast of a road which delineates the western and northwestern boundaries of the military's "live impact area." Additional restrictions may apply even in the above-designated areas. For further details, please contact CPT Judy Mavroleon, Camp Roberts, at (805) 238-8590, or you may contact Brenda Kidder, BLM Sacramento, at (916) 978-4374. It should be understood that any exploratory or development drilling or other surface activity will be restricted to these areas unless additional approval is obtained in writing from Base Operations personnel. It should be further understood that most or all of the surrounding land has similar restrictions, and the result may be that some of the leased area may not be available for development, even with directional drilling.

4. That before beginning any approved operations in the leased area, the Lessee must consult with third parties authorized to use the real estate in the leased area and must consider programs for which third parties have contractual rights to use the premises. The Lessee may consult the records of the District Engineer to determine what real estate interests have been granted to third parties on the leased lands. Upon request by the BLM Field Office Manager, the Adjutant General may seek to resolve disputes between the Lessee or operator and third parties if they cannot reach an agreement. Resolutions will be coordinated with contracting officers or representatives of all parties involved. The Lessee shall hold the United States harmless for claims by such third parties arising from the Lessee's activities, including damage to pasture, growing crops and improvements.

5. Merchantable timber cleared from roads, pipeline rights-of-way, or drill sites will be disposed of in accordance with the Adjutant General's instructions.

6. The Lessee shall bear all of the following expenses:
 - a. Increased Government costs for its authorized projects which are incurred by reason of the Lessee's activities on the leased lands.
 - b. Increased Government costs to administer and ensure lease compliance not otherwise funded by the Government.
 - c. The Lessee's share of road and bridge maintenance costs for use of installation roads and bridges in accordance with a maintenance agreement. In calculating such costs, the drilling and production area, pipeline rights-of-way, and lengths of roads and bridges, etc., will be considered. Payment shall be made in advance.
 - d. Repair of or restoration for damages or degradation of land or facilities, including subsidence and pollutant spills caused by the Lessee's activities shall be the Lessee's responsibility and accomplished to the satisfaction of the Adjutant General. Where conditions of urgency exist as determined by the Adjutant General and time is of the essence, the Lessee shall repair damages or degradation in a timely fashion in the manner specified by the Adjutant General, who shall confirm in writing any oral order(s) given to the Lessee or operator. If the Lessee or operator cannot or will not comply, the Adjutant General will act and the Lessee shall reimburse the Adjutant General for all damages and costs of such actions, including administrative costs.
7. The Lessee shall not unlawfully pollute the air, ground, or water (including ground water) or create a public nuisance. The Lessee may be required to conduct a vulnerability assessment and shall at no cost to the United States comply with present and future Federal, State and local laws, ordinances, or regulations controlling the quality of the environment including, as a result, their making mineral development prohibitive or infeasible. This does not affect the Lessee's right to contest their validity or to enjoin their applicability.
 - a. Before beginning operations, the Lessee shall retain a local agent who may be served notice on these matters and who shall notify the Adjutant General immediately of pollution, potential spills, or other hazards.
 - b. The Lessee shall hold the United States harmless for any claim, including equitable claims, court or legal expenses incurred by the United States, and fines or penalties imposed upon the United States which are related to unlawful pollution arising from the Lessee's use of the property.
8.
 - a. The United States reserves the option to purchase up to 100,000,000,000 BTU's annually from any natural gas produced from the leased lands at the price defined below under a utility sales contract to be negotiated prior to the exercise of this right in accordance with present or future DOD and Army regulations. The United States shall have the right to increase the quantity of BTU's purchased annually by a maximum of 5% per year throughout the life of the natural gas production from the leased lands. The

Lessee or operator shall include this paragraph in any contract or sale of natural gas to other parties.

b. The Lessee or operator shall have four (4) months from the date it receives a notice from the Adjutant General or the United States' authorized representative electing to exercise this option in which to negotiate the specific terms of any sale and begin delivery of the production. Except during mobilization or surge periods, the Adjutant General or the authorized representative of the United States shall have the right to change its election under this option no more often than one time every twelve months. If the United States elects to increase its purchase of BTU's as provided above, it shall likewise give the Lessee or operator four (4) months notice prior to exercising this right.

c. The price to the United States shall be the average price paid by Pacific Gas and Electric Company and Southern California Gas for natural gas purchased by them in the area, having similar quality to that produced from the leased lands. If such a price is not applicable, standard industry appraisal methods shall be used. The Lessee shall bear all costs on a non-reimbursable basis associated with maintaining production facilities (including meters) during the producing life of the well, and with salvaging such facilities when production has ended.

d. Natural gas shall be dried or processed as necessary and shall be delivered in a condition ready for use in a natural gas system. The lessee or operator shall either arrange for equivalent delivery or else construct a complete automatic gas supply system from the well to the existing installation gas system according to a Adjutant General-approved plan. A complete pipeline includes all necessary piping, valves, meters, regulators, fittings, compressors, and odorizers. The Lessee shall be responsible for and bear all costs without further reimbursement for the exercise of this option, including the costs of refining, processing, and delivering the natural gas to the installation, or equivalent delivery of natural gas produced elsewhere as prescribed by the Adjutant General or the United States' authorized representative.

e. If exercise of this option involves more than one Lessee or operator, the Lessee or operator agrees to cooperate with the others in scheduling production, constructing pipelines from wells or gathering points to the installation distribution system, sharing expenses, and other matters to assure a timely and continuous natural gas supply to the United States.

f. The Lessee or operator shall routinely inspect equipment and calibrate equipment with Adjutant General and/or BLM representatives. The Adjutant General may require the Lessee at least annually to furnish written findings to the Adjutant General.

9. Notwithstanding any other stipulation, the United States and its officers, agents, servants, and employees ("the released parties") shall not be responsible for damages to property, injuries to persons, or any other cause of action ("released actions") which may arise from, or be incident to this lease or the Lessee's use and occupation of the leased premises. Released actions include, without limitation, damage to the Lessee's property,

injury to the Lessee's person, or other causes of action of the Lessee's officers, agents, servants, employees, invitees of any of these, or anyone else otherwise on or off said premises incident to the lease. Released actions include any actions arising from flooding of the leased premises. The Lessee shall hold harmless and indemnify the released parties for released actions which may arise from or be incident to this lease or the Lessee's use or occupation of the leased premises.

10. The Lessor's rights described in the printed lease form include the rights of the Department of the Army.

11. The Lessee shall furnish the Adjutant General the names of the Lessee's personnel who shall be a point-of-contact and backup point-of-contact to whom evacuation orders can be issued. The Lessee will immediately advise the Adjutant General upon any change in these personnel.

12. The Secretary of the Army or his designee reserves the right to require suspension of operations in a national emergency or if the Adjutant General needs the leased premises for a mission that is not compatible with the Lessee's operations. On approval from higher authority, the Adjutant General will give the Lessee written notice or, when time permits, request BLM to give notice of the requirement to suspend operations. The Lessee understands that the rights to operate on the leased lands as granted by the instrument, does not include the period of any such cessations, and the United States has no obligation to compensate the Lessee for damages, including contractual losses resulting from the exercise of this stipulation. The Lessee shall include this stipulation in contracts with third parties to whom it supplies oil and gas. This stipulation shall not affect the Lessee's right to seek suspension of the lease term from BLM. Whether or not a suspension is granted by BLM will have no effect on cessation of operations as stipulated herein.

13. If the Adjutant General or his authorized representative discovers an imminent danger to safety or security which allows no time to consult BLM, that official may order such activities stopped immediately. The authorized officer of the BLM Field Office Manager shall be notified immediately, shall review the order, and shall determine the need for other remedial action.

14. a. Camp Roberts has been used for military training for many decades. The possibility for unexploded projectiles exists in any location, including those which have otherwise been designated as approved for exploration and other activities by the lessee. The lessee will ensure all personnel, including all contractors and sub-contractors, are aware of this fact. The lessee and all associated employees, contractors, etc. are aware of the possibility of personal injury and agree to hold harmless the US Government, the State of California, the California Army National Guard and Camp Roberts from any liability for personal injury or property damage suffered from this exploration activity.

14. b. If military contamination is found in the operating area, the operator shall immediately stop work, leave the area, notify the Adjutant General, and not return until the Adjutant General advises that it is safe to return.

15. In furtherance of Requirement No. 1.e., as it regards proposed, threatened, and endangered species and associated habitat of such species, the Lessee acknowledges that his surface occupation and use may well affect such wildlife and that his activities on the leased premises may be limited by law and regulation as it regards such species. The Lessee is therefore required to coordinate with the BLM and the Camp Roberts Environmental staff, and may be limited in his actions by the requirements of the BLM, Camp Roberts Environmental staff, and the U.S. Fish and Wildlife Service. The following information is therefore provided:

a. Limited Surface Use Stipulation - Federally Proposed and Listed Species (LSU - Protected Species). All or a portion of this lease is within the range of one or more plant or animal species that are either listed as threatened or endangered, or are proposed for such listing by the U.S. Fish and Wildlife Service (contact the Office of the Adjutant General at (916) 854-3456 for a list of species). The lessee is notified that time frames for processing applications may be delayed beyond established standards to allow for species surveys and consultation or conferencing with the U.S. Fish and Wildlife Service. Notice is also given that surface-disturbing activities may be moved or modified and that some activities may be prohibited during seasonal time periods. Surface disturbing activities will be prohibited on the lease only where:

(1.) the proposed action is likely to jeopardize the continued existence of a listed or proposed species, or

(2.) the proposed action is inconsistent with the recovery needs of a listed species as identified in an approved U.S. Fish and Wildlife Service Recovery Plan.

Prior to the authorization of any surface disturbing activities, a preliminary environmental review will be conducted to identify the potential presence of habitat for these species. Authorizations may be delayed until completion of the necessary surveys during the appropriate time period for these species. The Lessee should be aware that the timing of the surveys is critical, in that some species can only be surveyed during a brief period each year. The BLM may need to initiate consultation or conference with the U.S. Fish and Wildlife Service if the site inspection concludes that a listed or proposed species may be affected by the proposed activity. The lessee should be aware that the U.S. Fish and Wildlife Service has up to 135 days to render their biological opinion, and that there are provisions for an additional 60-day extension. Offsite habitat protection or enhancement for wildlife or vegetation (compensation) may be required by the U.S. Fish and Wildlife Service when habitat is disturbed. The consultation may also result in some restrictions to the Lessee's plan of development, including movement or modification of activities, and seasonal restrictions. Surface disturbing activities will be prohibited on the lease if the consultation or conference concludes that either of the conditions identified in (1.) or (2.) above exist.

b. Limited Surface Use Stipulation - Proposed Critical Habitat and Designated Critical Habitat (LSU - Critical Habitat): All or a portion of this lease may lie within an area that is designated as critical habitat or is proposed for designation as critical habitat by the U.S. Fish and Wildlife Service (contact the Office of the Adjutant General at (916) 854-3456 for a description of the affected area, if applicable). The Lessee is notified that time frames for processing applications may be delayed beyond established standards to

allow for species surveys and consultation or conferencing with the U.S. Fish and Wildlife Service. Notice is also given that surface-disturbing activities may be moved or modified and that some activities may be prohibited during seasonal time periods. Surface disturbing activities will be prohibited on the lease only where:

(1.) the proposed action is likely to destroy or adversely modify critical habitat or proposed critical habitat, or

(2.) the proposed action is inconsistent with the recovery needs of a listed species as identified in an approved U.S. Fish and Wildlife Service Recovery Plan.

Prior to the authorization of any surface disturbing activities, a preliminary environmental review will be conducted to identify the potential presence of habitat for these species. Authorizations may be delayed until completion of the necessary surveys during the appropriate time period for these species. The Lessee should be aware that the timing of the surveys is critical, in that some species can only be surveyed during a brief period each year. The Bureau of Land Management may need to initiate consultation or conference with the U.S. Fish and Wildlife Service if the site inspection concludes that designated or proposed critical habitat may be affected by the proposed activity. The Lessee should be aware that the U.S. Fish and Wildlife Service has up to 135 days to render their biological opinion, and that there are provisions for an additional 60-day extension. Offsite habitat protection or enhancement for wildlife or vegetation (compensation) may be required by the U.S. Fish and Wildlife Service when designated or proposed critical habitat is disturbed. The consultation may also result in some restrictions to the Lessee's plan of development, including movement or modification of activities, and seasonal restrictions. Surface disturbing activities will be prohibited on the lease only if the consultation or conference concludes that either of the conditions identified in (1.) or (2.) above exist.

c. Limited Surface Use - Federal Candidate, State Listed and California Species of Special Concern (LSU - Sensitive Species): All or a portion of this lease may be within the range of one or more plant or animal species (contact CPT Judy Mavroleon at (805) 238-8590 for a list of species, if applicable) that are either Federal candidates for listing as threatened or endangered (Federal Candidate), or are listed by the State of California as threatened or endangered (State Listed) or Species of Special Concern. The National Guard Bureau requires that all state and federal sensitive species (in addition to federal and state threatened and endangered species) be protected as if their status were threatened or endangered. The Lessee is notified that time frames for processing applications may be delayed beyond established standards to allow for species surveys and coordination with the U.S. Fish and Wildlife Service and California Department of Fish and Game. Notice is also given that surface-disturbing activities may be relocated beyond the standard 200 meters but not more than 1/4 mile and that surface disturbing activities may be prohibited during seasonal time periods. Prior to the authorization of any surface disturbing activities, a preliminary environmental review will be conducted to identify the potential presence of habitat for these species. Authorizations may be delayed until completion of the necessary surveys during the appropriate time period for these species. The Lessee should be aware that the timing of the surveys is critical, in that some species can only be surveyed during a brief period each year. The Bureau of Land Management may need to coordinate with the U.S. Fish and Wildlife Service or the

California Department of Fish and Game if the site inspection concludes that a Federal Candidate or State Listed/Special Concern Species may be affected by the proposed activity. Coordination may delay application processing beyond established time frames. To prevent or reduce disturbance to Federal Candidate, or State Listed/Special Concern Species, surface operations may be moved up to 1/4 mile and surface disturbing activities may be prohibited during seasonal time periods.

d. The CA ARNG has a tree removal mitigation policy that requires replacement of trees at a ratio of 3:1. The survival of replacement trees will need to be monitored for a period of 5 years, and planted trees that die at the end of each year need to be replaced to maintain the replacement ratio.

e. Nesting raptors shall be protected as determined by the Camp Roberts Associate Wildlife Biologist.

f. Any environmental consultant hired by the lessee to devise a conservation plan and conduct biological surveys must be approved by the CA ARNG environmental staff.

g. All known kit fox dens (previously or presently occupied) should not be impacted by the drilling operations.

h. All riparian areas shall be excluded from oil and gas exploration due to the sensitive and unique habitat they provide.

i. Sherwood Forest is excluded from oil and gas exploration due to the sensitive valley oak community.

j. All wetlands and reservoirs are excluded from oil and gas exploration.

16. The lessee shall designate a contact person who will be on site during all periods of activity. The lessee must have a cell phone/two-way radio capable of netting with Range Control.

17. The contact person will check in at Range Control on a daily basis prior to any personnel entering a range or training area, and have Camp Roberts' standard briefing on explosive matter.

18. Use of firearms or dogs on Camp Roberts is prohibited.

19. Contractor shall provide a 24 hour security guard at any storage site for explosives to be used in the exploration/development of oil and gas.

January 31, 2001

NOTICE

**Notice of Competitive Lease Sale for Oil and Gas
Dated January 26, 2001, AMENDED**

On January 26, 2001, a Notice of Competitive Lease Sale for Oil and Gas (Notice) was posted announcing a competitive oil and gas lease sale to be held March 14, 2001. The Notice is amended as follows:

1. Parcel CA 3-01-2 contains lands that are patented with no minerals available for leasing. The parcel is hereby amended by withdrawing those lands and to show the description of the parcel after the lands have been withdrawn. The parcel is amended as follows:

Parcel CA 3-01-2

Land Withdrawn:

T. 20 S., R. 15 E., MD Mer.,
Sec. 14: NE.

Fresno County 160.00 acres.

Land Remaining:

T. 20 S., R. 15 E., MD Mer.,
Sec. 4: Lots 3, 4, 6, SWNE, W2SENE, S2NW, SE;
Sec. 10 NE.

Fresno County 573.27 acres.

2. Parcel CA 3-01-40 is hereby amended by withdrawing land and to show the description of the parcel after the lands have been withdrawn. The parcel is amended as follows:

Parcel CA 3-01-40

Land Withdrawn

T. 4 N., R. 17 W., SB Mer.,
Sec. 18: SWSE;
Sec. 19: Lots 3 and 4.

Ventura and Los Angeles Counties 116.84 acres

Land Remaining

T. 4 N., R. 17 W., SB Mer.,
Sec. 19: Lot 1.

Ventura County 40.58 acres.

3. **Parcels CA 3-01-46 and CA 3-01-47** are parcels located on Camp Roberts, California. Included in the original sale notice is Special Stipulation 5 - Camp Roberts, California; however, the parcels showed that they were subject to a Special Stipulation but did not show the number of the stipulation. The Notice is hereby amended so that the parcels show they are subject to Special Stipulation 5.
4. The sale notice is hereby amended to show that the sale includes 48 parcels containing 31,938.05 acres.

All other original and amended terms of the sale remain the same. If there are any questions regarding this amendment, please contact Brenda Kidder of the BLM California State Office at (916) 978-4374.

/s/ Mitchell Leverette, Acting
Leroy M. Mohorich
Chief, Branch of Energy,
Mineral Science, and Adjudication

February 7, 2001

NOTICE

**Competitive Oil and Gas Lease Sale Notice
Dated January 26, 2001, AMENDED**

Notice is hereby given that the Notice of Competitive Lease Sale dated January 26, 2001, for the oil and gas lease sale scheduled to be held March 14, 2001, in Bakersfield, California, is hereby amended to withdraw two parcels from the sale notice. The following parcels are hereby withdrawn in their entirety from the March 14, 2001, sale because the lands are already included in oil and gas leases CACA 38062, CACA 38063, and CACA 38064.

PARCEL CA 3-01-43

T. 11 N., R. 24 W., SB Mer.,
Sec. 10: E2E2, W2;
Sec. 11: SWNE, E2SE.

T. 12 N., R. 24 W., SB Mer.,
Sec. 33: NW, NESW, N2SE, SESE.

Kern County 920.00 acres

PARCEL CA 3-01-44

T. 11 N., R. 24 W., SB Mer.,
Sec. 14: NENE, N2SW, SESW;
Sec. 15: W2NE, E2NW;
Sec. 23: NWNE, NWNW, NWSE;
Sec. 24: W2NW, SENW, N2S2;
Sec. 27: SWNW, NWSE.

Kern County 800.00 acres

The sale notice is hereby amended to show that the sale now includes 46 parcels containing 30,218.05 acres. All other original and amended terms of the sale remain the same. If there are any questions regarding this amendment, please contact Brenda Kidder of the BLM California State Office at (916) 978-4374.

/s/ Leroy M. Mohorich
Chief, Branch of Energy,
Mineral Science, and Adjudication